



# FY 2011-2012

## 1<sup>st</sup> Quarter Financial Report (Quarter Ending 09/30/2011)

November 22, 2011

***Budget & Management Services and Finance***



# FY 2012 Financial Update

- The update reflects the Administration's effort to continually monitor the City's financial status and update City Council.
- The next financial update will be given at the FY2012 Budget Retreat.
- Budget Calendar has been distributed.(Agenda Item #8134).



# General Fund (Exhibit 1)



# General Fund - Revenues

- Reminder...
  - First quarter is the least indicative of full year results.
  - Property tax revenues representing 59% of General Fund budget are mostly collected in December and January.
  - First sales tax payment for fiscal year not received until October.

# General Fund – Revenues



- Property taxes up from same period last year (16.9%).
- Utility taxes up from same period last year (5.3%).
- Licenses down from same period last year (9.4%).
- Permits down from same period last year (11.8%).
- Occupancy tax up from same period last year (4.1%).
- Charges for Services down from same period last year (9.7%).



# General Fund - Revenues

REVENUES	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Property taxes	\$ 107,997,056	\$ 10,134,683	\$ 107,997,056	\$ -
Sales taxes	34,820,268	-	34,000,000	(820,268)
Hotel/Motel Occupancy tax	1,550,000	266,969	1,560,000	10,000
Other local taxes	307,715	90,558	308,000	285
Licenses	2,755,931	2,234,983	3,100,000	344,069
Permits	3,670,135	823,419	3,497,875	(172,260)
Utility franchise tax	12,961,402	3,185,399	13,201,251	239,849
Powell bill	5,574,000	2,851,628	5,703,255	129,255
Other intergovernmental revenues	3,661,621	528,238	3,662,585	964
Investment and rental income	549,412	72,984	520,175	(29,237)
Charges for services	6,604,275	1,581,052	6,351,793	(252,482)
Intragovernmental services	864,000	207,789	831,157	(32,843)
Assessments	150,000	23,963	95,850	(54,150)
Sale of property and miscellaneous	741,280	79,288	599,726	(141,554)
Total revenues	<u>182,207,095</u>	<u>22,080,953</u>	<u>181,428,723</u>	<u>(778,372)</u>
...				

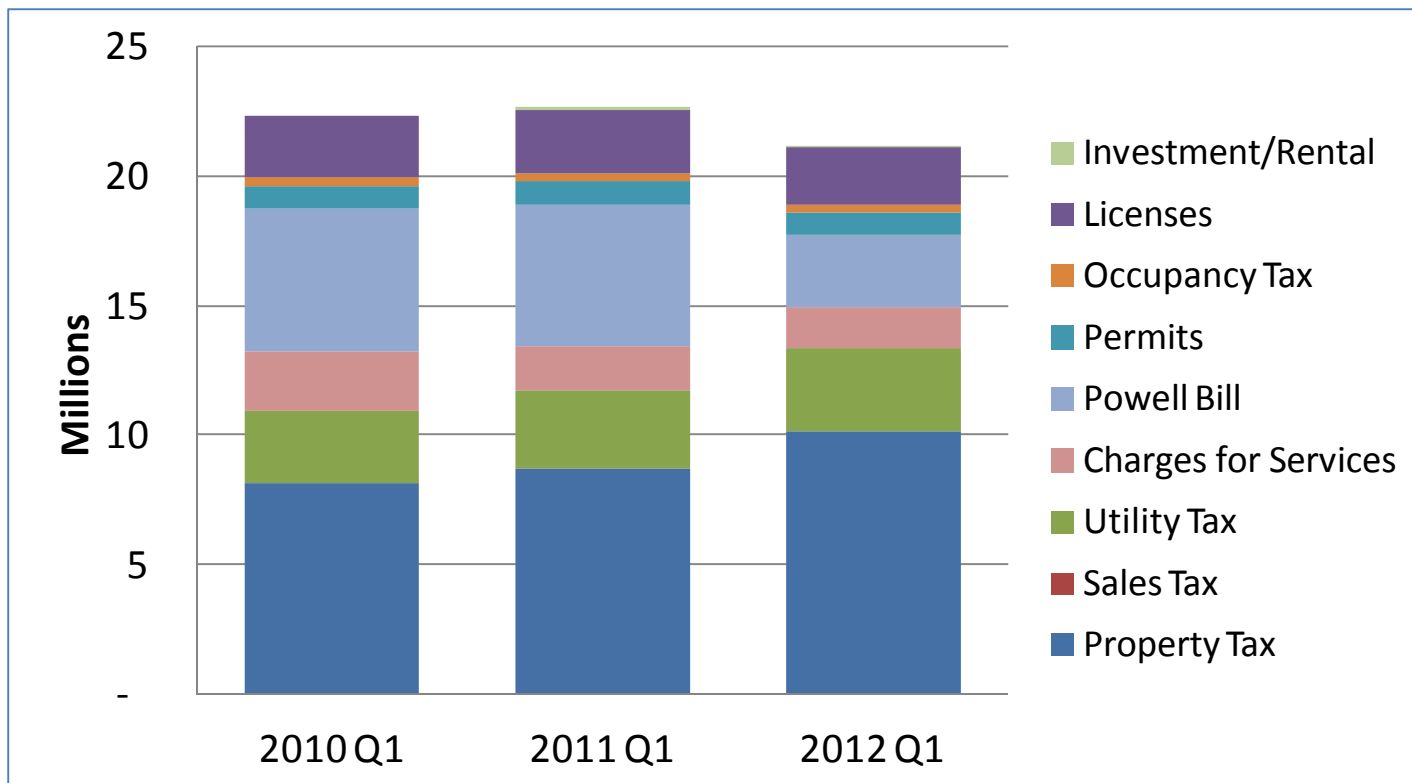


# General Fund - Revenues

	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
<b>REVENUES</b>				
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds	244,581	-	244,581	-
Transfer from reserves	3,387,964	-	3,387,964	-
Appropriation from fund balance	360,055	-	336,071	(23,984)
Total other financing sources	<u>3,992,600</u>	<u>-</u>	<u>3,968,616</u>	<u>(23,984)</u>
Total revenues and other financing sources	<u>\$ 186,199,695</u>	<u>\$ 22,080,953</u>	<u>\$ 185,397,339</u>	<u>\$ (802,356)</u>



# Revenue Summary







# General Fund - Expenditures

- Operations spending projected at \$802K less than budgeted at year end.
  - Personnel costs under budget by \$419K or approximately 0.34%.
  - Operating costs under budget by \$378K or 0.95%.
- No department is currently projected to exceed budget.



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Audit Services	\$ 565,794	\$ 134,293	\$ 103,463	\$ 565,794	\$ -
Budget & Management Services	1,146,742	272,516	6,047	1,146,742	-
City Attorney	1,542,110	408,206	34,173	1,540,427	1,683
City Clerk	605,511	156,823	4,515	605,511	-
City Council	875,366	247,746	7,578	874,647	719
City Manager/One Call/Public Affairs	2,990,152	805,478	162,932	2,990,112	40
City/County Inspections	3,131,184	820,250	19,714	3,131,184	-
City/County Planning	2,933,357	763,270	14,987	2,933,357	-
Economic & Workforce Development	4,581,852	991,452	1,514,762	4,581,852	-
Emergency Communications	4,637,879	1,273,551	120,662	4,637,879	-
Emergency Management	182,918	45,730	-	182,918	-
Equal Opportunity-Equity Assurance	544,615	146,177	37,167	544,615	-



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Finance	5,735,681	1,146,699	140,075	5,735,681	-
Fire	22,920,446	6,143,620	367,121	22,920,446	-
Fleet Maintenance	4,002,775	983,537	289,907	3,825,036	177,739
General Services	11,755,281	2,677,783	1,243,832	11,569,766	185,515
Housing & Community Development	1,702,821	530,735	266,096	1,702,821	-
Human Relations	312,150	54,345	-	312,150	-
Human Resources	1,666,081	439,333	28,036	1,650,318	15,763
Neighborhood Improvement Service	2,995,195	887,117	172,830	2,995,195	-
Parks & Recreation	10,882,478	2,759,479	454,250	10,766,563	115,915
Police	49,452,438	13,309,974	962,776	49,389,806	62,632
Public Works	6,992,115	1,916,969	192,503	6,979,183	12,932
Technology Solutions	5,838,017	1,313,206	594,166	5,689,884	148,133
Transportation	6,758,017	1,878,714	203,759	6,758,017	-



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
NonDepartmental	14,505,131	1,862,891	1,050,941	14,428,763	76,368
Indirect Cost	(7,031,464)	-	-	(7,031,464)	-
Debt Service	410,000	8,350	-	410,000	-
Transfer	23,565,053	4,917	-	23,560,136	4,917
Total	186,199,695	41,983,161	7,992,292	185,397,339	802,356

CLASS	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2011	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
Personal services	\$ 122,154,031	\$ 33,481,904	\$ 179,245	\$ 121,734,290	\$ 419,741
Operating expenditures	39,616,495	8,459,277	7,768,848	39,238,802	377,693
Capital outlay	325,951	28,713	44,199	325,946	5
Appropriation not Authorized	128,165	-	-	128,165	-
Debt service	410,000	8,350	-	410,000	-
Transfers out	23,565,053	4,917	-	23,560,136	4,917
Total	186,199,695	41,983,161	7,992,292	185,397,339	802,356



# General Fund Balance

Fund balance	\$ 38,492,841
Restricted for Encumbrances	(3,387,964)
Restricted by State Statute	(14,471,901)
Assigned for Downtown Fund	<u>(796,474)</u>
Unassigned Fund Balance	19,836,502
Projected Use of Fund Balance	<u>(336,071)</u>
Net Projected Fund Balance 6/30/12	<u><u>\$ 19,500,431</u></u>
Unassigned Fund Balance Percentage	12.28%
12% Required Fund Balance Level	\$ 19,060,401
Fund Balance Excess/(Shortfall)	\$ 440,030



# Carryover Requests FY 2011 to FY 2012

- Carryover requests made to BMS by departments.
- BMS reviewed and made recommendations to City Manager.
- Agenda Item #8055 to City Council for approval at 11/7 City Council meeting.
- General Fund Request \$2.2 million.
- The General Fund fund balance is projected at 12.28% after the carryover request.



# Enterprise Funds (Exhibit 2)



# Water & Sewer Fund

- Consumption for the 1st Quarter FY 2012 has increased by 2.9% as compared to 1st Quarter FY 2011.
- Projected EOY revenues on target with the revenue projections from the rate model.
- EOY operating expenses anticipated at approx. 100% of adjusted budget.
- Financial performance is favorably affected by rate changes.





# Water & Sewer Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 77,878,103	\$ 22,368,104	\$ 77,878,103	\$ -
Permits	45,500	16,250	45,500	-
Total operating revenues	77,923,603	22,384,354	77,923,603	-
Non-operating revenues				
Miscellaneous	2,050,028	606,178	2,050,028	-
Investment Income	225,469	49,383	191,649	(33,820)
Operating transfers from other funds	319,595	-	319,595	-
Transfer from reserves	1,815,110	-	1,815,110	-
Appropriation from fund balance	1,426,968	-	1,426,968	-
Total Non-operating revenues	5,837,170	655,561	5,803,350	(33,820)
Total revenues	\$ 83,760,773	\$ 23,039,915	\$ 83,726,953	\$ (33,820)



# Water & Sewer Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 23,224,406	\$ 5,854,007	\$ 23,224,406	\$ -
Operating expenditures	24,749,799	4,347,569	24,749,799	-
Non-departmental administration	5,797,679	-	5,763,859	33,820
Capital outlay	217,330	61,824	217,330	-
Debt service principal and interest	19,914,003	404,680	19,914,003	-
Operating transfers to other funds	9,857,556	-	9,857,556	-
Total expenditures	\$ <u>83,760,773</u>	\$ <u>10,668,080</u>	\$ <u>83,726,953</u>	\$ <u>33,820</u>
Revenues less Expenditures		12,371,835	-	



# Transit Operations Fund

- First quarter results project increases in operating and non-operating revenue, and in operating expenditures.
- Overall the fund is projected to show a slight deficit due primarily to fuel costs.
- 3.2 cents per \$100 of tax rate (or \$7.5M) is dedicated to transit in the FY2012 budget.



# Transit Operations Fund - Revenues

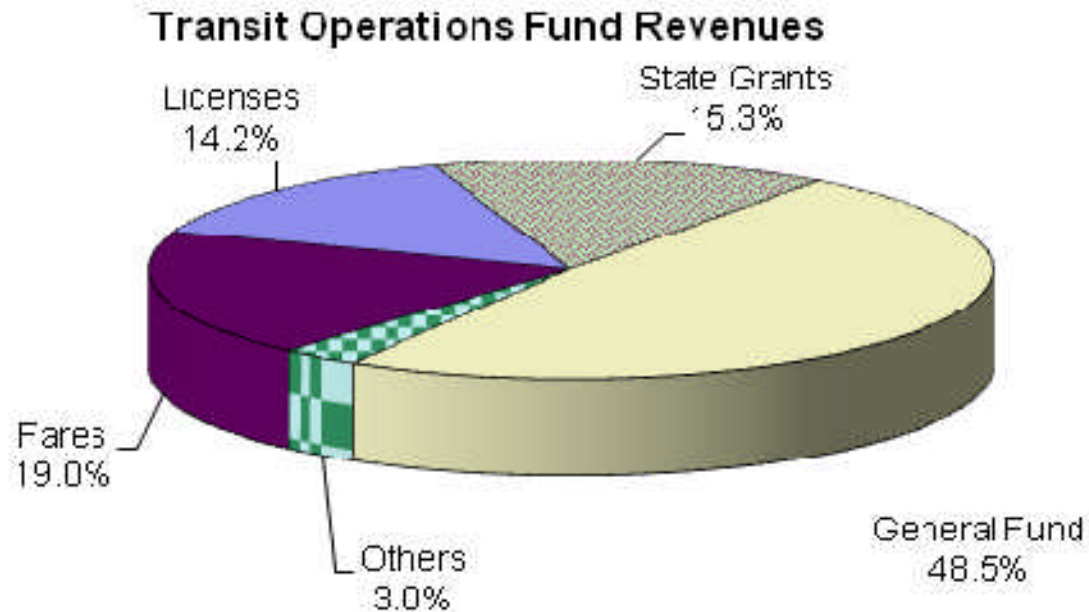
	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>3,280,717</u>	\$ <u>436,066</u>	\$ <u>3,348,637</u>	\$ <u>67,920</u>
Non-operating revenues				
Non-operating revenues	4,679,740	547,241	4,967,255	287,515
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Operating transfers from other funds	7,505,016	-	7,505,016	-
2010 Debt refunding	-	-	-	-
Transfer from reserves	250,134	-	250,134	-
Appropriation from fund balance				-
Total Non-operating revenues	<u>12,434,890</u>	<u>547,241</u>	<u>12,722,405</u>	<u>287,515</u>
Total revenues	\$ <u><u>15,715,607</u></u>	\$ <u><u>983,307</u></u>	\$ <u><u>16,071,042</u></u>	\$ <u><u>355,435</u></u>



# Transit Operations Fund – Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Operating expenditures	\$ 14,026,954	\$ 2,527,215	\$ 14,510,956	\$ (484,002)
Non-departmental administration	216,300	-	216,300	-
Debt service principal and interest	223,173	170,728	223,173	-
2010 Debt refunding	-	-	-	-
Operating transfers to other funds	1,249,180	-	1,249,180	-
Total expenditures	<u>\$ 15,715,607</u>	<u>\$ 2,697,943</u>	<u>\$ 16,199,609</u>	<u>\$ (484,002)</u>
Revenues less Expenditures		(1,714,636)	(128,567)	

# Transit Fund- Source of Funding





# Solid Waste Fund

- The Solid Waste Disposal Fund currently relies on the General Fund for 58% of the budgeted funding. Operating revenues make up 40% of budgeted funding.
- First quarter projections for the Solid Waste Disposal Fund shows a slight decrease in expenses compared to original budget expectations.
- Overall, the fund is currently projected to produce a small surplus.



# Solid Waste Fund - Revenues

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	\$ <u>8,587,975</u>	\$ <u>1,857,490</u>	\$ <u>8,545,305</u>	\$ <u>(42,670)</u>
Non-operating revenues				
Investment Income	29,597	3,397	25,157	(4,440)
Miscellaneous	150,725	37,758	150,725	-
Operating transfers from other funds	12,506,477	-	12,506,477	-
Transfer from reserves	<u>321,056</u>	<u>-</u>	<u>224,164</u>	<u>(96,892)</u>
Total Non-operating revenues	<u>13,007,855</u>	<u>41,155</u>	<u>12,906,523</u>	<u>(101,332)</u>
Total revenues	\$ <u><u>21,595,830</u></u>	\$ <u><u>1,898,645</u></u>	\$ <u><u>21,451,828</u></u>	\$ <u><u>(144,002)</u></u>





# Solid Waste Fund - Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal Services	\$ 6,402,549	\$ 1,597,984	\$ 6,291,838	\$ 110,711
Operating expenditures	12,418,244	2,623,293	12,384,953	33,291
Non-departmental administration	153,670	-	153,670	-
Debt service principal and interest	<u>2,621,367</u>	<u>65,591</u>	<u>2,621,367</u>	<u>-</u>
Total expenditures	\$ <u>21,595,830</u>	\$ <u>4,286,868</u>	\$ <u>21,451,828</u>	\$ <u>144,002</u>
Revenues less Expenditures			-	
	-	(2,388,223)		



# Other Enterprise Funds

- The **Stormwater Fund** is operating within budget expectations.
- **Water & Sewer Capital Facility Fee** revenues are projected to exceed budget expectations. Funds are to be transferred for use in capital projects.
- **Ballpark Fund** activities are seasonal. First quarter data projections are slightly better than expectations and do not reflect budgeted transfers from fund balance.



# Other Enterprise Funds

- The **Parking Fund** is projecting to operate within budget expectations and return a surplus to fund balance.
- The **Performing Arts Center (DPAC) Fund** provides the debt service budget for the facility. The fund is operating within budget expectations.



# Stormwater Fund - Revenues

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	\$ <u>10,941,873</u>	\$ <u>4,675,792</u>	\$ <u>10,941,873</u>	\$ <u>-</u>
Non-operating revenues				
Miscellaneous	-	893	997	997
Investment Income	11,551	2,049	9,818	(1,733)
Operating transfers from other funds	232,047	-	232,047	-
Transfer from reserves	245,288	-	245,288	-
Appropriation from fund balance	<u>273,722</u>	<u>-</u>	<u>60,234</u>	<u>(213,488)</u>
Total Non-operating revenues	<u>762,608</u>	<u>2,942</u>	<u>548,384</u>	<u>(214,224)</u>
Total revenues	\$ <u><u>11,704,481</u></u>	\$ <u><u>4,678,734</u></u>	\$ <u><u>11,490,257</u></u>	\$ <u><u>(214,224)</u></u>



# Stormwater Fund - Expenditures

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 6,334,200	\$ 1,510,452	\$ 6,119,976	\$ 214,224
Operating expenditures	2,653,083	455,419	2,653,083	-
Non-departmental administration	674,847	-	674,847	-
Capital outlay	136,351	2,239	136,351	-
Operating transfers to other funds	<u>1,906,000</u>	<u>-</u>	<u>1,906,000</u>	<u>-</u>
Total expenditures	<u>\$ 11,704,481</u>	<u>\$ 1,968,110</u>	<u>\$ 11,490,257</u>	<u>\$ 214,224</u>
Revenues less Expenditures			-	
	-	2,710,624		



# Ballpark Fund – Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>482,947</u>	\$ <u>76,908</u>	\$ <u>502,685</u>	\$ <u>19,738</u>
Non-operating revenues				
Non-operating revenues	205,000	95,826	239,565	34,565
Investment Income	4,206	568	3,575	(631)
Miscellaneous				-
Operating transfers from other funds	1,391,020	-	1,391,020	-
2010 Debt refunding	-	-		-
Transfer from reserves	114,771	-	48,460	(66,311)
Appropriation from fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating revenues	<u>1,714,997</u>	<u>96,394</u>	<u>1,682,620</u>	<u>(32,377)</u>
Total revenues	\$ <u><u>2,197,944</u></u>	\$ <u><u>173,302</u></u>	\$ <u><u>2,185,305</u></u>	\$ <u><u>(12,639)</u></u>



# Ballpark Fund – Expenditures

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal Services	\$ 111,363	\$ 31,859	\$ 117,276	\$ (5,913)
Operating expenditures	778,062	231,398	759,510	18,552
Non-departmental administration	97,218	-	97,218	-
Capital outlay	-	-	-	-
Debt service principal and interest	902,443	813,125	902,443	-
2010 Debt refunding	-	-	-	-
Operating transfers to other funds	<u>308,858</u>	<u>-</u>	<u>308,858</u>	<u>-</u>
Total expenditures	<u>\$ 2,197,944</u>	<u>\$ 1,076,382</u>	<u>\$ 2,185,305</u>	<u>\$ 12,639</u>
Revenues less Expenditures		(903,080)	-	



# DPAC – Revenues and Expenditures

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Revenues</b>				
Operating revenues	\$ 700,000	\$ -	\$ 700,000	\$ -
<b>Non-operating revenues</b>				
Taxes	1,250,000	300,057	1,250,000	-
Naming rights	375,000	6,000	375,000	-
Ticket facility fee	543,009	38,518	543,009	-
Investment Income	4,113	20	3,496	(617)
Operating transfers from other funds	100,000	-	100,000	-
Appropriation from fund balance	179,173	-	179,173	-
Total Non-operating revenues	<u>2,451,295</u>	<u>344,595</u>	<u>2,450,678</u>	<u>(617)</u>
<b>Total revenues</b>	<u>\$ 3,151,295</u>	<u>\$ 344,595</u>	<u>\$ 3,150,678</u>	<u>\$ (617)</u>
<b>Expenditures</b>				
Operating expenditures	\$ 118,676	\$ 9,589	\$ 118,059	\$ 617
Capital outlay	-	-	-	-
Debt service principal and interest	2,489,610	-	2,489,610	-
Operating transfers to other funds	<u>543,009</u>	<u>-</u>	<u>543,009</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 3,151,295</u>	<u>\$ 9,589</u>	<u>\$ 3,150,678</u>	<u>\$ 617</u>
<b>Revenues less Expenditures</b>			-	
	-	335,006		





# Next Steps

- General Fund revenues will continue to be monitored and updated.
- Enterprise funds are generally operating within budget expectations but will continue to be monitored.
- We will provide the second quarter report, which is a better indicator of year-end results, at the annual Budget Retreat.



# **Fiscal Year 2012-13**

## **Fiscal Outlook**



# FY2012-13 Outlook

- No significant revenue growth anticipated.
- Maintaining an acceptable fund balance will continue to be priority.
- Significant program reductions or expansions not likely.
- State decisions can impact state shared revenues.



# Planning for FY2012-13

- Conducting budget pre-meetings.
- Continuing to prioritize programs and services – using the Strategic Plan.
- Revising performance measures and aligning with departmental programs.
- Continuing to revise processes for better results.
- Continuing the engagement of our citizens.
- Updating multi-year financial plan to determine preliminary budget gap.



# Related Projects

- 5 Year Financial Plan
- Debt Model
- Strategic Plan
- Financial Dashboard
- Process Improvement Projects